

DISREGARDING OF OASDI AND RAILROAD RETIREMENT INCOME IN DETERMINING NEED FOR PUBLIC ASSISTANCE

DECEMBER 10, 1970.—Committed to the Committee of the Whole House on the
state of the Union and ordered to be printed.

Mr. MILLS, from the Committee on Ways and Means,
submitted the following

REPORT

[To accompany H.R. 19915]

The Committee on Ways and Means, to whom was referred the bill (H.R. 19915) to make permanent the existing temporary provision for disregarding income of oldage, survivors, and disability insurance and railroad retirement recipients in determining their need for public assistance, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF H.R. 19915

The purpose of H.R. 19915 is to make permanent section 1007 of the Social Security Amendments of 1969. Section 1007 was a temporary provision that accompanied the 15-percent increase in social security benefits, the principal purpose of the Social Security Amendments of 1969.

Under section 1007, the States were required to take action to assure that recipients of public assistance under the federally aided adult public assistance programs (the old-age assistance, aid to the blind, and aid to the permanently and totally disabled programs) who also received a social security benefit increase under the 1969 amendments would realize an increase in combined income from public assistance and social security equal to \$4 a month or the amount of the social security benefit increase received by the recipient, if less. A State could meet this requirement either by disregarding a portion of the recipient's social security payment or by raising the State's standard of assistance for all recipients under the program involved.

Section 1007 of the 1969 amendments as originally enacted applied only to public assistance payments made before July 1970. The provision was enacted on a temporary basis in order to allow Congress time to consider the problem with which it dealt more thoroughly in connection with the work it has planned to do on major welfare proposals this year.

In April, the House of Representatives passed H.R. 16311, the administration's proposed welfare legislation. One of the sections of this bill provided for making section 1007 permanent law in the same manner as H.R. 19915.

In June of this year, when it became apparent that the Senate would not be able to complete action on H.R. 16311 before section 1007 was to expire, the Senate adopted an amendment to another pending bill (H.R. 14720) to extend the application of section 1007 through October of 1970. The Senate amendment also broadened section 1007 to apply to railroad retirement beneficiaries. The House agreed to this amendment and it was signed into law (Public Law 91-306).

The Senate has taken further action on this issue by including a provision to extend the application of section 1007 through December 31, 1971, in the pending Social Security Amendments of 1970 (H.R. 17550) which was ordered reported in the Senate on December 9.

Since section 1007 expired at the end of October and since both Houses of Congress have taken some action in the direction of extending its application to apply in the future, your committee believes it is imperative that action be taken on this legislation in order to prevent the States from ceasing to apply the provision, which in some instances could result in a \$4 reduction in public assistance payments for some recipients. H.R. 19915 would apply retroactively to public assistance payments for months since October 1970.

Your committee is unanimous in recommending enactment of H.R. 19915.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, existing law in which no change is proposed is shown in roman):

SECTION 1007 OF THE SOCIAL SECURITY AMENDMENTS OF 1969

SEC. 1007. DISREGARDING OF INCOME OF OASDI RECIPIENTS AND RAILROAD RETIREMENT RECIPIENTS IN DETERMINING NEED FOR PUBLIC ASSISTANCE

In addition to the requirements imposed by law as a condition of approval of a State plan to provide aid or assistance in the form of money payments to individuals under title I, X, XIV, or XVI of the Social Security Act, there is hereby imposed the requirement (and the plan shall be deemed to require) that, in the case of any individual receiving aid or assistance for any month after March 1970 [and before

November 1970] who also receives in such month (1) a monthly insurance benefit under title II of such Act which is increased as a result of the enactment of the other provisions of this title, the sum of the aid or assistance received by him for such month, plus the monthly insurance benefit received by him in such month (not including any part of such benefit which is disregarded under section 1006), shall exceed the sum of the aid or assistance which would have been received by him for such month under such plan as in effect for March 1970, plus the monthly insurance benefit which would have been received by him in such month without regard to the other provisions of this title, by an amount equal to \$4 or (if less) to such increase in his monthly insurance benefit under such title II (whether such excess is brought about by disregarding a portion of such monthly insurance benefit or otherwise), or (2) a monthly payment of annuity or pension under the Railroad Retirement Act of 1937 or the Railroad Retirement Act of 1935 which is increased as a result of the enactment (after May 30, 1970, and before December 31, 1970) of any Act which provides general increases in the amount of the annuities or pensions payable under the Railroad Retirement Act of 1937 or the Railroad Retirement Act of 1935, the sum of the aid or assistance received by him for such month, plus the monthly amount of such annuity or pension received by him in such month (not including any part of such annuity or pension which is disregarded under section 1006), shall (except as otherwise provided in the succeeding sentence) exceed the sum of the aid or assistance which would have been received by him for such month under such plan as in effect for March 1970, plus the monthly annuity or pension which would have been received by him in such month without regard to the provisions of the Act enacted by such enactment, by an amount equal to \$4 or (if less) to such increase in his monthly annuity or pension under the Railroad Retirement Act of 1937 or the Railroad Retirement Act of 1935 (whether such excess is brought about by disregarding a portion of such annuity or pension or otherwise). If, in the case of any individual, the provisions of both clauses (1) and (2) of the preceding sentence are applicable to him with respect to any month, any increase in the annuity or pension (referred to in clause (2) of the preceding sentence) of such individual for such month shall, for purposes of such sentence, be treated as an additional increase in the amount of his monthly insurance benefit under title II of the Social Security Act for such month in lieu of an increase for such month in his annuity or pension (as so referred to).

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